

VERMONT EMPLOYMENT GROWTH INCENTIVE

SO WE'VE BEEN APPROVED FOR VEGI INCENTIVES... WHAT HAPPENS NOW?

SUMMARY (See below for details on each):

- Through VEGI Application and Claim System, review Incentive Authorization documents and, within 30 days, change status of VEGI application to Authorization Document Accepted.
- Email VEPC information on who will be responsible to file your VEGI Claims and if appropriate, email VEPC with information on new offices or facilities, when established.
- Track your actual data for the VEGI targets (payroll, employment, capital investments).
- If they occur, immediately report any material changes in the project to VEPC, in writing.
- If they occur, report to VEPC any major changes such as company ownership, acquisition or sale, in writing.
- Through VEGI Application and claim System, **by the last day of February** of each year, file VEGI Incentive claim forms and attach: VEGI Base Employment Data Workbook; VEGI New Qualifying Employee Workbook, and VEGI Capital Investment Detail Workbook.

DETAILS:

1. Post – Approval Process:

If an applicant company receives Final Approval of their application by the Vermont Economic Progress Council, the company will receive, through the VEGI Application and Claim System, a notification of incentive authorization that includes:

- An assessment of how the But For was met;
- An assessment of compliance with the nine statutory Guidelines;
- Cost-benefit model results and incentive calculation;
- Detailed information on the incentive amount, the incentive payout schedule, incentive target levels, and the information required by 32 VSA §5930b(b)(4); and
- Instructions on how to accept the Incentive Authorization.

Applicants must review the Incentive Authorization Document and, within 30 days of receipt of the notification, change the application status. Failure to accept the Incentive Authorization can result in the rescission of the incentives.

2. Provide information to VEPC:

- If the company staff person that will complete and file your VEGI Claim each year by February 28 is not already registered as a User on the *VEGI Application and Claim System*, have that person register. The person registered as Admin or AO can then certify that person and assign an Admin role to them. Also notify VEPC regarding who will be responsible for filing your annual VEGI claims, even if they are already registered on the system.
- If your project involves establishing a new facility or office, email VEPC with the address and contact information once it is established.

3. Track Your Data

Review the VEGI incentive claim forms (See *VEGI Application and Claim System*) and the workbooks that must be filed with the annual incentive claims (see <http://economicdevelopment.vermont.gov/Programs/VEPC/VermontEmploymentGrowthIncentiveProgram/ApplicationInstructionsandForms/tabid/307/Default.aspx>).

Track your payroll, employment and capital investments in a manner that will allow you to complete the claim forms and the detail data workbooks accurately and in time to file your claim by the end of February each year. Your claim must be filed, using the *VEGI Application and Claim System*, by the last day of February. **This is a statutory deadline that cannot be extended.**

4. Material Change to an Approved Project

If, after Final Approval, circumstances cause a material change to the project for which incentives were authorized, the applicant must immediately notify VEPC, by email followed by a signed letter. The VEPC Executive Director, in consultation with the VEPC Chair, will determine if the material change warrants review by VEPC. If an affirmative determination is made, details of the material change will be sought from the applicant and presented to VEPC by the Executive Director. The Council will make a final determination that a material change has occurred and take appropriate action, including rescission of the approval, amendment of the approval, or sustaining the approval. For review purposes, a change is generally considered material if the change impacts the But For, Program Guidelines, or cost-benefit analysis that was considered with the original application. An example of a material change is a decision to locate the project in a different municipality. If the material change is due to applicant error, the incentive amount will not be increased.

5. Changes in ownership, Acquisition, Sale of Authorized Company

If, after Final Approval, circumstances regarding ownership of an authorized company change, the company must immediately notify VEPC, by email followed by a signed letter. The benefits of the Vermont Employment Growth Incentives do not automatically transfer from one entity to another following the acquisition, sale or reorganization of a business that has been authorized for incentives. The decision to

authorize the incentives is based, in part, on subjective criteria that may not apply after an acquisition of an authorized entity or other transaction involving an authorized entity. Therefore, the incentives are not considered an asset that is automatically transferred. For more details on this issue, refer to the VEGI Program Rules, Section 5.

6. Incentive Claim and Maintenance Process:

Before the last day of February each year, companies authorized to earn VEGI incentives must log onto the *VEGI Application and Claim System* to file an annual VEGI Claim form:

<https://development.grants.vermont.gov/Login.aspx>

Note that the February deadline is set by statute and cannot be extended.

This submittal includes uploading, as attachments:

- A VEGI Base Employment Data Workbook.
- A VEGI New Qualified Employee Workbook.
- A VEGI Capital Investment Detail Workbook.

These are MS Excel spreadsheet workbooks that must be filled out in detail to substantiate the data that is entered in the VEGI Claim Forms. To access forms:

<http://economicdevelopment.vermont.gov/Programs/VEPC/VermontEmploymentGrowthIncentiveProgram/ApplicationInstructionsandForms/tabid/307/Default.aspx>

After examining the claim and substantiating data, the Vermont Department of Taxes will:

- Determine if base payroll was maintained or increased;
- Determine if targets are met;
- Calculate the VEGI incentive earned that year, if the above are true, and calculate the installment(s) due.

Examination may require communication with and further documentation or explanation by the company to verify that targets are met.

In subsequent years, the Department will examine the performance for the claim year and check to ensure that previous targets are maintained so that subsequent installments can be paid to the company.